1994 as compared to $ 1.1 billion in July, 1991.

(iv) The growth in external-debt, which was more than $ 6 billion per annum in the latter 1980s, came down to about $ 3 billion during 1991-93 and further to about $1.3 billion during 1993-94.

(v) Foreign investment inflows increased sharply in 1993-94 to about $ 4 billion as compared to $ 585 million in 1992-93 and $ 148 million in 1991-92.

(vi) Overall industrial production which had declined marginally by 0.8 per cent in 1991-92, increased by 2.3 per cent in 1992-93, by 3 per cent in 1993-94 and by 8 per cent in April, 1994, signifying a recovery from the past recessionary trends.

The Government is also well aware of possible short-term adverse impact of economic reforms on the poor and has, therefore, taken a number of steps to minimise them. Some of the important measures taken in this respect include: strengthening of public distribution system and its revamping in 1854 blocks in remote and backward areas; a considerable stepping up of budgetary allocations for rural development and programmes of social sectors; strengthening of special schemes of employment generation and new schemes of Prime Minister's Rozgar Yojna and Employment Assurance Scheme; setting up of National Renewal Fund etc.

(c) Price rise and employment depend on a number of factors, including policies initiated since the introduction of economic reforms. The annual rate of inflation based on Wholesale Price Index was 7.02 per cent in 1992-93 and 10.81 per cent in 1993-94 as against 13.56 per cent in 1991-92. Overall additional employment of around 6.4 million is estimated to have been generated in 1992-93 and 5.6 million in 1993-94 as against about 3 million in 1991-92.

Indian Overseas Bank

3725. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that cumulative losses of Indian Overseas Bank have eroded the possibilities of finding alternative capital base of the Bank;

(b) whether the auditors have served on the Bank a qualified report;

(c) whether in order to hide the deficiencies of the management the bank has filed number of court cases against small account holders whose accounts have been inoperative for over a decade;

(d) whether such small account holders have been urging the bank to settle the issues by applying moratorium of interest etc. but all in vain despite assurances from the headquarters of the bank;

(e) if so, the facts and details thereof; and

(f) what further steps are to be taken to cause necessary changes in the bank's capital base and to cause out of court settlement of those account holders who made appeals to the bank as on 31st March, 1991 or thereabout?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The losses incurred by a bank can affect its prospects of raising equity from the capital market.

(b) The Indian Overseas Bank (IOB) has intimated that the auditors have not served on it a qualified report.

(c) No such instance has come to the notice of the bank.

(d) and (e) IOB has intimated that cases for out of court settlement are examined by it on merits without jeopardising the bank's interest.

(f) The bank in taking steps to improve its performance and reduce its losses. In the meantime, Government is extending support to the bank to enable it to augment its equity.

The bank has intimated that the requests of account holders for out of court settlement were considered on merits and appeals made as on 31st March, 1991 were attended to and disposed of.